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Gibbons Subcommittee Examines U.S.-Japan Trade Problems

On the eve of the March 24 congressional trade mission to the Far East, the House Ways and Means Subcommittee focused attention last week on Japan's alleged industrial targeting practices. Although the panel considered such issues as the current degree of access in the Japanese market to competitive U.S. products, the yen/dollar currency misalignment, and Tokyo's efforts to implement its previously announced trade liberalization packages, most of the discussion centered on industrial policy. Judging by the

Trade and Payments Data
(in millions of dollars unless otherwise indicated)

	1981	1982	January 1982	January 1983	November 1982	December 1982	January 1983
Japan's Balance of Payments							
Trade Balance	$ 19,967	$ 18,191*	$ -859	$ -618*	$ 292*	$ 2,397*	$ -618*
Exports (f.o.b.)	149,522	137,651*	10,246	9,324*	9,988*	12,429*	9,324*
Imports (f.o.b.)	129,555	119,460*	11,105	9,942*	9,696*	10,032*	9,942*
Current Account Balance	4,770	6,896*	-1,892	-1,444*	-833*	1,706*	-1,444*
Long-Term Capital (net)	-6,449	-15,007*	-1,605	-621*	637*	-327*	-621*
Overall Balance	-2,144	-4,971	-2,668	-2,218	1,610	236	-2,218
International Reserves (end of period)	28,403	23,262	28,245	23,593	22,976	23,262	23,593
Japan's Customs Clearance Trade							
Trade Balance	8,741	6,884*	-1,857	-1,590*	-411	1,468*	-1,590*
Exports (f.o.b.)	152,030	138,854*	10,303	9,212*	10,063	14,512*	9,212*
Cars	18,445	18,019*	1,425	1,623*	1,427	1,549*	1,623*
Steel	16,669	15,656*	1,166	853*	980	1,245*	853*
Imports (c.i.f.)	143,290	131,970*	12,160	10,802*	10,474	13,043*	10,802*
Crude Oil	53,343	46,266*	4,572	4,181*	4,066	4,048*	4,181*
Japan-U.S. Trade							
Trade Balance	13,312	12,178*	612	705*	950	962*	705*
Exports (f.o.b.)	38,609	36,341*	2,719	2,522*	2,726	3,006*	2,522*
Imports (c.i.f.)	25,297	24,162*	2,107	1,818*	1,776	2,044*	1,818*
Yen-Dollar Exchange Rate							
Tokyo Spot Market (end of period)	¥219.90	¥235.00	---	---	¥253.10	¥235.00	¥237.90
U.S.-Japan Trade							
Trade Balance	-15,789	-16,778	-1,934	-1,352	-880	-683	-1,352
Exports (f.a.s)	21,823	20,966	1,786	1,601	1,815	1,803	1,601
Industrial Supplies	8,983	9,173	798	714	857	745	714
Food and Feed	5,896	4,971	358	373	407	389	373
Capital Goods	4,767	4,434	399	321	346	392	321
Consumer Goods	1,318	1,356	106	106	116	107	106
Imports (f.a.s.)	37,612	37,744	3,720	2,953	2,695	2,486	2,953
Automotive Products	12,950	12,890	1,294	1,101	892	910	1,101
Industrial Supplies	7,179	6,795	692	407	405	344	407
Consumer Goods	8,340	7,842	770	607	587	521	607
Capital Goods	8,589	9,530	878	790	765	669	790

*Preliminary

Japanese Economic Indicators

(percentage change from year-earlier period unless otherwise indicated)

	1980	1981	January–December 1981	January–December 1982	October 1982	November 1982	December 1982
Discount Rate (end of period)	7.25%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Outstanding Money Supply	9.2%	8.9%	8.9%	9.2%	8.3%	8.0%	7.9%
Industrial Production	7.0%	3.1%	3.1%	1.2%*	-3.6%	-0.7%	-0.3%*
Manufacturing Operating Rate	0.7%	-4.6%	-4.6%	-2.9%	-6.8%	-4.0%	-4.9%
Number of Bankruptcies	11.6%	-1.5%	-1.5%	-2.8%	-0.3%	-2.5%	-2.2%
Residential Construction Starts	-15.0%	-9.2%	-9.2%	-0.5%	14.8%	13.6%	2.1%
Job Openings to Applications (ratio)	0.75	0.68	0.68	0.61	0.58	0.59	0.60
Nominal Wages	6.3%	5.3%	5.3%	4.8%	4.8%	5.4%	2.3%
Labor Productivity	9.1%	3.5%	3.2%†	1.9%†	-1.0%	n.a.	n.a.
Wholesale Prices	17.8%	1.4%	1.4%	1.8%	2.0%	2.0%	0.9%
Consumer Prices	8.0%	4.9%	4.9%	2.7%	3.1%	2.3%	1.8%
Yen-Based Export Prices	8.6%	1.2%	1.2%	3.9%	2.9%	2.8%	-0.1%
Yen-Based Import Prices	44.7%	1.6%	1.6%	7.9%	10.7%	11.4%	7.6%

*Preliminary
†Through October of each year only.

For Japan's most recent GNP data, see JEI Report No. 4B, January 28, 1983.